

Program A: Louisiana State Racing Commission (LSRC)

Program Authorization: R.S. 4:141 et seq.

PROGRAM DESCRIPTION

The mission of the Louisiana State Racing Commission Program is to provide efficient, effective leadership, supervision, and administrative support necessary to operate its regulatory and administrative functions in administering and processing all horse racing activities which are described in the official **Rules of Racing** published by the LSRC from official statutes.

The goals of the Louisiana State Racing Commission Program are:

1. Promote and ensure integrity in the conduct of live horse racing in the State of Louisiana.
2. Regulate all horse racing activities in Louisiana in compliance with statutes.
3. Encourage the growth of thoroughbred and quarter horse breeding in Louisiana.

The Louisiana State Racing Commission Program includes the following activities:

1. Executive Administration – Supervises and operates all of the LSRC administrative activities throughout the State of Louisiana including hiring, training, and rating employees; scheduling work assignments; forecasting revenues and pari-mutuel handle and providing information for budgets and fiscal impact reports. The duties also include the purchasing of supplies; contracting; conducting public meetings, race track approvals OTB, requests; scheduling and collecting fees for tests and/or fines; approval of all travel vouchers; maintaining files; and responding to requests for documents; etc.
2. Licensing and Regulation – to issue licenses and to regulate the horse racing industry in Louisiana in order to maintain an honest, controlled racing environment through the use of technology in a changing work environment caused by heavy competition in the gaming industry in Louisiana, technology advances, and changes in the racing industry itself.
3. Breeder Awards – To correctly process all funds earned for payment of breeder awards and to issue awards and pay video poker purse funds correctly and timely through the Oracle database system and computer print-outs. This includes requiring an annual spending plan from the Louisiana Thoroughbred Horse Breeders Association (LTBA) and the Louisiana Quarter Horse Breeders Association (LQBHA) for quarter horses .

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

GENERAL PERFORMANCE INFORMATION: LOUISIANA STATE RACING COMMISSION			
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Administrative expenses as percentage of self-generated revenue	22.8%	20.7%	20.5%
Annual amount wagered at race tracks and OTB's (in millions)	\$386	\$398	\$399 ¹
Cost per race	\$1,517	\$1,497	\$1,576

1. (KEY) Through the Executive Administration activity, to oversee all horse racing and related wagering and to maintain administrative expenses at less than 25% of all self-generated revenue.

Strategic Link: This operational objective is related to LSRC Strategic Plan Objective 1.1: *To oversee all horse racing and related wagering and to maintain administrative expenses at less than 25% of all self-generated revenue, through 2003.*

Louisiana: Vision 2020 Link: No direct link

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Administrative expenses as a percentage of self-generated revenue	22.8%	20.51%	22.8%	22.8%	22.8%	22.8%
K	Annual amount wagered at race tracks and Off-Track Betting Parlors (OTBs) (in millions)	\$391	\$398.57	\$363 ¹	\$363 ¹	\$399	\$399
K	Cost per race	\$1,517	\$1,576	\$1,618	\$1,618	\$1,618	\$1,618

¹ Although the performance standard for this indicator is \$363, the agency indicates that the actual existing figure is \$398.9 million. In its FY 2000-2001 First Quarter Performance Progress Report, the agency has set a yearend target of \$400 for this indicator.

2. (SUPPORTING) Through the Licensing and Racing activity, to license all qualified applicants.

Strategic Link: This operational objective is related to LSRC Strategic Plan Objective II.1: *To process all licenses and to perform all regulatory functions including security and tests for illegal activities, through 2003.*

Louisiana: Vision 2020 Link: No direct link

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Number of licenses issued	14,500	15,652	14,500	14,500	15,657	15,657

3. (KEY) Through the Licensing and Regulation activity, to test at least 15 horses and 3 humans per live race day.

Strategic Link: This operational objective is related to LSRC Strategic Plan Objective II.1: *To process all licenses and to perform all regulatory functions including security and test for illegal activities, through 2003.*

Louisiana: Vision 2020 Link: No direct Link

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Percentage of horses testing positive	Not applicable ¹	1.78%	1.9%	1.9%	0.8%	0.8%
K	Percentage of humans testing positive	Not applicable ¹	1.94%	4.1%	4.1%	1.94%	1.9%
S	Number of equine samples tested annually	5,270	5,113	5,220	5,220	5,130	5,130
S	Number of human samples tested annually	1,120	1,198	1,120	1,120	1,031	1,031
S	Number of cases heard	45	68	45	45	45	45
S	Percentage of cases overturned	0%	2%	0%	0%	0%	0%

¹ This a new indicator that was added for FY 2000-2001. Therefore, the indicator has no yearend performance standard for FY 1999-2000.

4. (KEY) Through the Breeder Awards activity, to continue to issue 100% of the breeder awards within 60 days of a race.

Strategic Link: This operational objective is related to LSRC Strategic Plan Objective III.1: *To process self-generated revenue for breeder awards and to make payments timely to Louisiana breeders according to statutes, through 2003.*

Louisiana: Vision 2020 Link: No direct links

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Percent of awards issued within 60 days of race	100%	100%	100%	100%	100%	100%
K	Annual amount of breeder awards paid	\$2,415,763	\$2,405,125	\$2,439,895	\$2,439,895	\$2,439,895	\$2,439,895

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	5,366,309	5,699,675	5,709,050	5,719,200	5,745,087	36,037
Statutory Dedications	3,360,228	3,360,228	3,360,228	2,521,357	2,500,000	(860,228)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$8,726,537</u></u>	<u><u>\$9,059,903</u></u>	<u><u>\$9,069,278</u></u>	<u><u>\$8,240,557</u></u>	<u><u>\$8,245,087</u></u>	<u><u>(\$824,191)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$1,266,767	\$1,338,464	\$1,283,325	\$1,292,202	\$1,266,358	(\$16,967)
Other Compensation	37,054	87,072	87,072	87,072	87,072	0
Related Benefits	256,645	301,021	283,660	284,943	284,943	1,283
Total Operating Expenses	358,782	482,568	496,068	519,370	513,391	17,323
Professional Services	61,233	56,907	146,782	140,343	175,407	28,625
Total Other Charges	6,655,375	6,787,381	6,765,881	5,916,627	5,917,916	(847,965)
Total Acq. & Major Repairs	90,681	6,490	6,490	0	0	(6,490)
TOTAL EXPENDITURES AND REQUEST	<u><u>\$8,726,537</u></u>	<u><u>\$9,059,903</u></u>	<u><u>\$9,069,278</u></u>	<u><u>\$8,240,557</u></u>	<u><u>\$8,245,087</u></u>	<u><u>(\$824,191)</u></u>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	13	13	13	13	13	0
Unclassified	65	65	65	65	61	(4)
TOTAL	<u><u>78</u></u>	<u><u>78</u></u>	<u><u>78</u></u>	<u><u>78</u></u>	<u><u>74</u></u>	<u><u>(4)</u></u>

SOURCE OF FUNDING

This program is funded from Fees and Self-generated Revenues and from Statutory Dedications. Fees and Self-generated Revenues are from taxes collected on para-mutual wagering, admissions, occupational licenses, fines, forfeited appeal fees and examination fees. The Statutory Dedications are derived from payments of franchise fees as required for owners of video draw poker devices, and provide funding to the Video Draw Poker Device Purse Supplement Fund (VDPDPSF). The funds from the Video Draw Poker Device Purse Supplement Fund (VDPDPSF) are provided to licensed Racing Associations. Two thirds of the appropriated funds from the VDPDPSF are available to licensed racing associations for purse supplements based upon the proportion of the number of thoroughbred race days conducted statewide annually. One third of the funds appropriated from the VDPDPSF are available to the La. Quarterhorse Breeder Association. (Per R.S.39:32B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.)

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
Video Draw Poker Device Purse Supplement Fund	\$3,360,228	\$3,360,228	\$3,360,228	\$2,521,357	\$2,500,000	(\$860,228)

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$9,059,903	78	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$9,375	0	CarryForward - Professional Services - Contract with Methods Technology for design of LRC financial data base.
\$0	\$9,069,278	78	EXISTING OPERATING BUDGET – December 15, 2000
\$0	\$5,737	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$0	\$4,423	0	Classified State Employees Merit Increases for FY 2001-2002
\$0	\$2,323	0	Risk Management Adjustment
\$0	(\$6,490)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$9,375)	0	Non-Recurring Carry Forwards
\$0	\$1,070	0	Legislative Auditor Fees
\$0	\$366	0	UPS Fees
\$0	(\$25,844)	(1)	Attrition Adjustment
\$0	(\$141)	0	Civil Service Fees
\$0	\$2,136	0	State Treasury Fees
\$0	(\$860,228)	0	Reduction to reflect the latest projections of Video Draw Poker Supplemental Fund (R.S. 27:323) that provides funding for the sole purpose of supplementing purses for La. bred horses. This adjustment will place funding at \$2.5 million for FY 2001-2002.
\$0	\$8,832	0	Indirect Cost Adjustment for support services from the Office of the Secretary
\$0	\$15,000	0	Rules Book revision, updating and printing
\$0	\$38,000	0	Professional Legal Services - to avoid conflict of interest where the advisor to the adjudicator must act as prosecutor, counselor, and participate in the adjudicatory function. These funds would allow LRC to contract with independent counsel (or Assistant Attorney General) who will assume the duties and responsibilities of prosecuting all violations before the Racing Commission.
\$0	\$0	(3)	Security and Investigations will be done via contract with Local Law enforcement that will result in the elimination of three (3) positions and the transfer of \$90,000 from Salaries and Related Benefits to Professional Services
\$0	\$8,245,087	74	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$8,245,087	74	BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002

SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:			
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$8,245,087	74	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 90.9% of the existing operating budget. It represents 98.2% of the total request (\$8,399,777) for this program. The major changes reflected in the analysis of recommendation include: Attrition Adjustment with the reduction of one (1) position (-\$25,844 Self-Generated Revenues) Non-Recurring Adjustment - Reduction to reflect the latest projections of Video Draw Poker Supplemental Fund (R.S. 27:323) that provides funding for the sole purpose of supplementing purses for La. bred horses. This adjustment will place funding at \$2.5 million (-\$860,228 Statutory Dedications) Security and Investigations will be done via contract with Local Law enforcement that will result in the elimination of three (3) positions and the transfer of \$90,000 from Salaries and Related Benefits to Professional Services (\$0) La. Racing Comm. - Professional Legal Services - to avoid conflict of interest where the advisor to the adjudicator must act as prosecutor, counselor, and participate in the adjudicatory function. These funds would allow LRC to contract with independent counsel (or Assistant Attorney General) who will assume the duties and responsibilities of prosecuting all violations before the Racing Commission. (\$38,000 Self-Generated Revenues).

PROFESSIONAL SERVICES

\$7,575	Court Reporters - to record and transcribe proceedings at commission hearings
\$8,000	Legal services in personnel related matters and other miscellaneous services deemed necessary
\$38,000	Legal services related to Racing Commission matters
\$1,007	Professional and Expert Witness fees for testifying at commission hearings
\$2,000	Travel allowances for Court Reporters and Professional and Expert Witnesses
\$15,000	Participation in the drug testing and quality assurance program, Association of Racing Commissioners Int.
\$77,500	Investigations and searches of any type, as provided by the Rules of Racing and the statutes
\$26,325	Developing the conceptual design for the financial database computer system
\$175,407	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$13,388	Legislative Auditor Expenses
\$3,500	Commission Hearing Rooms - to review cases on rule infractions and to approve requests
\$1,196,671	Breeders' Awards - Thoroughbreds
\$800,000	Breeders' Awards - Quarterhorses
\$443,224	Breeders' Awards - Off Track Betting
\$2,500,000	Purse Supplements - Video Draw Poker Device Purse Supplement Fund
\$436,200	Chemical or other analysis on equine specimens
\$25,800	Chemical or other analysis on human specimens

\$6,000	Criminal History Checks
\$5,424,783	SUB-TOTAL OTHER CHARGES
	Interagency Transfers:
\$433,061	Reimbursement for Fiscal, Information Systems and Human Resources support services to the Office of the Secretary
\$53,836	Fees for services provided by the Department of Justice
\$1,488	Pro-rata share of the cost of operations of the Department of Civil Service
\$2,136	Pro-rata share of the cost of operations of the State Treasury
\$2,489	Pro-rata share of the cost of operations of the Uniform Payroll System
\$123	Pro-rata share of the cost of the Comprehensive Public Training Program
\$493,133	SUB-TOTAL INTERAGENCY TRANSFERS
\$5,917,916	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2001-2002.